

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: March 2-3, 2005

Reference No.: 2.5g.
Action Item

From: CINDY McKIM
Chief Financial Officer

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Ref: **FINANCIAL ALLOCATION ADJUSTMENTS FOR FY 2004-05 LOCAL ASSISTANCE
LUMP SUM ALLOCATION
RESOLUTION FM-04-05**

SUMMARY:

In June 2004, the California Transportation Commission (Commission) passed Resolution FM-03-10, allocating \$775 million for the Local Assistance Program for FY 2004-05. The initial allocation request was for \$1.1 billion. The Commission reduced the initial allocation request of \$1.1 billion by approximately \$361 million, down to \$775 million pending the final report for FY 2003-04 and prior year allocation expenditures.

In October 2004, the Department of Transportation (Department) presented the final status lump sum allocation report for FY 2003-04, with prior year allocations and expenditures, to the Commission. The Commission requested the comparison be presented by category. The information provided at the December 2004 Commission meeting showed, historically, that the Department consistently expends funds allocated by the Commission by the third year the allocation is approved.

In January 2005, the Commission approved the exchange of \$22.7 million of federal funds for state funds for the Safe Routes to School Program (SR2S). As noted on Page Three of the January 2005 book item, federal funds from the Hazard Elimination and Safety (HES) and the Rail Road (RR) Crossing Protection Programs were used to arrive at the \$22.7 million, as the federal allocation for the SR2S Program was only \$16.6 million. Approval of the remaining \$361 million will provide the necessary funds to restore the federal funds for the HES and RR Crossing Protection programs to their initial amounts.

BACKGROUND:

The Local Assistance Program administers the local assistance subvention budget under authority of the Commission. Each year, the Department requests an annual lump sum allocation for these funds consistent with the Budget Act. This allocation is revisited upon enactment Federal Fiscal Appropriation Act and the passage of the new federal Transportation Act to ensure consistency in funding levels.

RECOMMENDATION:

The Department recommends the following Resolution be approved.

FINANCIAL RESOLUTION:

Resolved, that \$360,723,000 be allocated from the 2004 Budget Act Local Assistance Item 2660-102-0890 (1).

SUMMARY AND CONCLUSIONS:

Approval of the remaining allocation will provide the necessary subvention funds, for the delivery of individual local assistance transportation projects. In addition, approval of this request will bring the total funds available for allocation to be commensurate to the level of federal obligation authority available from Federal Highway Administration for local transportation projects, which is approximately \$1.1 billion for FY 2004-05.

FY 2004-05 ALLOCATION OF FUNDS FOR LOCAL ASSISTANCE**(Dollars in Thousands)**

	<u>State</u>	<u>Federal</u>	<u>Revised Federal</u>	<u>Revised State</u>	<u>Total</u>
<u>2660-102-0042(a)</u>					
State Match and Exchange	\$46,000			\$46,000	\$46,000
Seismic Bridge Retrofit State Match	0			0	0
Local Bridge Inspection	735			735	735
Railroad Grade Separation	15,000			15,000	15,000
RR Grade Crossing Maintenance	4,250			4,250	4,250
Misc. Unassigned Local Programs	2,000			2,000	2,000
TEA Exchange	6,440			6,440	6,440
Freeway Service Patrol	18,079			18,079	18,079
Safe Routes to Schools	<u>0</u>			<u>22,700</u>	<u>22,700</u>
Subtotal	\$92,504			\$115,204	\$115,204
<u>2660-105-0046 (a)</u>					
Bay Area Ferry Operations Program	\$ 2,879			\$ 2,879	\$ 2,879
<u>2660-102-0890</u>					
Surface Transportation (STP)	\$245,764		\$ <u>376,211</u>		<u>\$376,211</u>
Congestion Mitigation and Air Quality (CMAQ)	268,397		<u>410,856</u>		<u>410,856</u>
Seismic Bridge Retrofit	44,344		<u>67,880</u>		<u>67,880</u>
Bridge Rehabilitation and Replacement	85,086		<u>130,248</u>		<u>130,248</u>
Bridge Scour	1,725		<u>2,640</u>		<u>2,640</u>
RR Grade Crossing Protection	8,310		<u>12,720</u>		<u>12,720</u>
Hazard Elimination & Safety (HES)	8,310		<u>12,720</u>		<u>12,720</u>
Safe Routes to School	16,619		<u>2,740</u>		<u>2,740</u>
Misc. Unassigned Local Program	1,062		<u>1,625</u>		<u>1,625</u>
TEA, Regional Share	0				0
Subtotal	\$ 679,617		<u>1,017,640</u>		<u>\$1,017,640</u>
Total Local Programs	\$95,383	\$ 679,617	<u>1,017,640</u>		<u>\$775,000</u> <u>\$1,135,723</u>